

Accomplishments in
Home Ownership



Home Purchase Assistance Program

The Home Purchase Assistance Program (HPAP) has been a critical component in making homeownership accessible to many District residents during the program's more than 20-year history.

HPAP provides financial assistance in the form of interest-free and low-interest loans to qualified District residents to meet downpayment and closing costs in the purchase of single-family houses, condominiums, or cooperative apartments. The amount of the loan is based on a combination of factors including the applicant's family income, household size, and the amount of assets the applicant is able to commit toward the purchase price.

Since FY 2001, over 1,300 District residents have received HPAP loans.

As median house prices in the District more than doubled in the four years from 2001-2004, it became increasingly more difficult for the HPAP Program to assist low-to-moderate income first-time homebuyers to successfully close the gap between funds available through private mortgage financing and the purchase price (plus closing costs) of houses. In FY 2004, DHCD increased the maximum HPAP assistance level for very low income homebuyers (households with incomes less than 50% of area median income) from \$20,000 to \$30,000. But by FY 2005, it was clear that this increase was insufficient to match the dramatic increase in home prices.



Mr. Frederick Jack used the Home Purchase Assistance Program (HPAP) to purchase his home in Ward 1.

In FY 2006, DHCD submitted changes to the structure of the HPAP program, which will directly tie assistance levels on a yearly basis to the true market cost of residential real estate, reduce the minimum household contribution toward purchase for most borrowers and further ease the terms of borrowing. These changes will help place homeownership within reach of many low- and moderate-income first-time homebuyers.

Employer Assisted Housing Program

The Employer Assisted Housing Program provides employees of the District of Columbia government increased opportunity to become first-time homeowners. Through EAHP, eligible applicants receive matching downpayment funds, up to \$1,500, and a deferred loan, up to \$10,000, toward the purchase of a housing unit in Washington, DC. Almost 250 District employees have benefited from the Employer Assisted Housing Program in the years since FY 2001.

Changes to EAHP were submitted in FY 2006. These changes will allow District Government employees to use both HPAP and EAHP. The changes will also offer District income tax and property tax credits for the first five years.

Metropolitan Police Housing Assistance Program

The DC Metropolitan Police Housing Assistance Program, a component of the Employer Assisted Housing Program, provides police officers all the benefits of EAHP plus other first-time homebuyer incentives in the form of substantial credits toward District income taxes and abatement of District real property taxes during the first five years of homeownership.

Tenant Purchase Programs

First Right Purchase Assistance Program

The First Right Purchase Assistance Program offers low-cost loans to low-to-moderate income persons and tenant groups in the District who are threatened with displacement because of the sale of their building. It is their right to purchase the unit, if so desired. DHCD helped 153 households avoid displacement and become homeowners in FY 2005.

Tenant Purchase Technical Assistance

The Tenant Purchase Technical Assistance Program provides technical assistance to households in tenant organizations that are beginning the process of apartment conversion to ownership. In FY 2005, we provided this assistance to tenant organizations representing 8,456 households. Services provided included: counseling on first right to purchase as well as technical assistance, seed loans, "earnest money" deposit loans, and acquisition loans to tenant organizations so that they could begin the process of converting their rental units to ownership. Following conversion, the program also offers management assistance.

Tenant organizations are also eligible for DHCD rehabilitation assistance for converting properties under the Development Finance Project Financing Program.



Homestead Housing Preservation Program

The Homestead Program takes possession of tax delinquent real properties and makes them available by lottery to first-time homebuyers for as little as \$250 per unit. In exchange for the property, the purchaser commits to enroll in and complete homeownership training, rehabilitate the property, reside in the property for a minimum of five years, and return it to the real property tax rolls. Low- and moderate-income participants can receive a \$10,000 deferred mortgage to assist them as "seed money" toward financing required for rehabilitation. A multifamily component of the Homestead Program makes properties available to developers for rehabilitation and sale to income qualified first-time homebuyers.

In recent years, the supply of tax delinquent real properties available to Homestead has declined due to the changes in the real estate market. Increasing housing values have prevented many tax delinquencies, or spurred owners to use any available means to redeem their delinquent taxes. As a result, the inventory of available properties has been very limited. The Department is currently evaluating whether there exists a sufficient inventory of appropriate real properties to warrant a new Homestead lottery in FY 2006.



HOME REHABILITATION PROGRAMS

Single Family Rehabilitation

The Single Family Residential Rehabilitation Program (or the Single-Family Rehab Program) is a source of low-cost financing for the rehabilitation of single-family homeowner-occupied housing located within the District of Columbia. Eligible improvements include repairs to correct building code violations, to remove threats to occupant health and safety, and to reduce lead-based paint hazards.

The program provides low- or no-interest, amortized or deferred loans (not payable until the home is sold or refinanced) or grant funds (depending on the financial circumstances of the borrower and the amount and type of rehabilitation required). Through the middle of FY 2005, the maximum loan amount to finance general rehabilitation repair costs was \$50,000 per project, but DHCD increased this maximum to \$75,000 during the year to reflect the increase in the D.C. area's construction costs. There is no maximum on the grant amount provided to abate lead-based paint hazards; DHCD will provide the necessary funding to make the home lead safe.



This home in Ward 5 received assistance with home repairs under the Single Family Residential Rehabilitation Program.

To meet special needs, up to \$10,000 of assistance is automatically deferred for senior citizens (under the Senior Citizens Home Repair and Improvement Program, now a part of the Single Family Residential Rehabilitation Program), and the first \$30,000 of assistance for handicapped accessibility improvements is provided as a grant through the Handicapped Accessibility Improvement Program (see page 12). In addition, at the end of FY 2005, the Single Family Residential Rehabilitation Program began offering

grants of up to \$5,000 for the replacement of the privately-owned portion of homes' lead water service lines, in conjunction with the D.C. Water and Sewer Authority's replacement of the publicly-owned portion of the service lines.

For all of the repairs under the Single Family Residential Rehabilitation Program, DHCD develops the scope of work to make the necessary repairs. The participating household identifies its own licensed and certified contractors to carry out the work, subject to DHCD approval of the contractor's bid. DHCD inspects the work to ensure that the contractor performed it according to the agreed-upon specifications. In FY 2005, DHCD assisted 103 households with its various products under the Single Family Residential Rehabilitation Program.



Handicapped Accessibility Improvements Program

The Handicapped Accessibility Improvements Program (HAIP) provides assistance to install improvements necessary to provide barrier-free living environments in houses occupied by individuals with physical disabilities.

HAIP provides a grant of up to \$30,000 for improvements needed to remove physical barriers within a home for persons with mobility or other physical impairments. Additional financing may be provided under the Single Family Residential Rehabilitation Program.

Lead Safe Washington

DHCD offers grants up to \$17,500 and technical assistance to owners of residential properties built before 1978, to pay for lead-based paint related repairs through its Lead Safe Washington Program. The purpose of the Lead Safe Washington Program is to create lead safe housing for low-to-moderate income families with children under six years of age. Childhood lead poisoning is a major environmental health problem that can affect children living in homes built before 1978.

Lead Safe Washington grants are available to reduce or eliminate lead-based paint hazards in both owner-occupied and rental properties that contain loose, flaking, peeling, cracking, chipped, or otherwise deteriorated lead-based paint. The program also provides free inspection risk assessments to identify the presence of lead-based paint for eligible properties.

Housing assisted through Lead Safe Washington must be occupied by or available for rent to low-to-moderate income families with children under the age of 6.

The Lead Safe Washington Program is funded by a grant from the U.S. Department of Housing & Urban Development's Office of Healthy Homes & Lead Hazard Control.

We encourage owners of multi-family buildings and single family residences to contact us to learn more about our Lead Safe Washington Program and to see if you are eligible for assistance.



HOW TO APPLY

We encourage you to take advantage of our Home Ownership and Home Rehabilitation Programs.

For more information on our HPAP, EAHP, Single-Family Rehab or HAIP programs, please contact one of our community partners:

Housing Counseling Service, Inc. 2410 17th Street, NW, Suite 100 Washington, DC 20009 (202) 667-7006	Marshall Heights Community Development Corporation 3939 Benning Road, NE Washington, DC 20019 (202) 396-1200
University Legal Services, NE 220 I Street, NW, Suite 130 Washington, DC 20002 (202) 547-4747	University Legal Services, SE 3220 Pennsylvania Avenue, SE, Suite 4 Washington, DC 20020 (202) 645-7175
Latino Economic Development Corporation 2316 18th Street, NW Washington, DC 20009 (202) 588-5102	Lydia's House 3939 South Capitol Street, SW Washington, DC 20032

For more information about the Lead Safe Washington Program, please contact us directly at:

Department of Housing and Community Development

801 North Capitol Street, NE
Washington, DC 20002
(202) 442-7200

Or visit us on the Web at www.dhcd.dc.gov.



